

WBBM Radio, March 31, 2008

CHICAGO (WBBM) -- Tenth District Congressman Mark Kirk thinks a plan that worked during the Great Depression could also ease today's mortgage crisis.

Kirk's proposing the Home Owners Loan Corporation -- back in the '30s, it bought mortgages from loan companies at a discounted rate, which t allowed homeowners to stay. This also benefited the mortgage company which may-or-may not have been able to recover from the loss.

Research fellow Alex Pollock with the American Enterprise Institute believes that might work again.

Kirk says HOLC would be at low-cost to taxpayers. Kirk says it could start with \$25 billion and borrow at a 1-to-10 ratio giving it assets up to \$300 billion - exactly what analysts say could bail-out today's foreclosures.

In his district, Kirk says the hardest hit areas for foreclosure include North Chicago, Waukegan and Round Lake.